

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	
Lifeline and Link Up Reform and Modernization)	WC Docket No. 11-42
)	
Lifeline and Link-Up)	WC Docket No. 03-109
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Advancing Broadband Availability Through Digital Literacy)	WC Docket No. 12-23
)	

COMMENTS OF ALASKA COMMUNICATIONS SYSTEMS GROUP, INC.

Alaska Communications Systems Group, Inc., on behalf of its operating subsidiaries (“ACS”),¹ hereby responds to the Public Notice on Comment Sought on USTelecom et al. Petition for Waiver and Clarification of Lifeline Reform Order² in the above-captioned dockets.³

¹ In this proceeding Alaska Communications Systems Group, Inc. represents four local exchange carriers, ACS of Alaska, Inc., ACS of Anchorage, Inc., ACS of Fairbanks, Inc., and ACS of the Northland, Inc. (the “ACS ILECs”), as well as ACS Long Distance, Inc., ACS Cable, Inc., ACS Internet, Inc., and ACS Wireless, Inc. Together, these companies provide retail and wholesale wireline and wireless telecommunications, information, broadband, and other services to residential and business customers in the State of Alaska and beyond, using ACS’s intrastate and interstate facilities.

² *Lifeline and Link Up Reform and Modernization et al.*, Report and Order and Further Notice of Proposed Rulemaking, WC Docket Nos. 11-42 *et al.*, CC Docket No. 96-45, FCC 12-11 (rel. Feb. 6, 2012) (“*Lifeline Reform Order*”).

³ Public Notice, Comment Sought on USTelecom et al. Petition for Waiver and Clarification of Lifeline Reform Order, DA 12-387 (rel. March 9, 2012); *see also Lifeline and Link Up Reform and Modernization et al.*, Petition for Waiver and Clarification (“Petition”) in WC Docket Nos. 11-42 *et al.*, CC Docket No. 96-45, filed by The United States Telecom Association, The Independent Telephone and Telecommunications Alliance, The National Telecommunications Cooperative Association, The Organization for the Promotion and Advancement of Small Telecommunications Companies, The Western Telecommunications Alliance, and The Eastern Rural Telecom Association (filed March 9, 2012).

ACS supports the request for an extension of the effective date for the requirements of the *Lifeline Reform Order*, as referenced in the Petition, until October 1, 2012,⁴ and clarification of the certification requirements established in Section 54.407(d) of the revised Lifeline rules.⁵ ACS submits that many of the delaying factors cited in the Petition are factors that will make its own compliance with the April 2, 2012 effective date either extremely difficult or impossible. Specifically, ACS must revise its state tariffs to implement the *Lifeline Reform Order*; it must implement procedure and billing system changes; and it must conduct extensive employee training to ensure that ACS complies with the new rules. All of these revisions and changes are necessary to implement the requirements of the *Lifeline Reform Order*, but none of them reasonably can be expected to be accomplished by the April 2, 2012 effective date. ACS describes below in further detail the difficulty it will have in implementing the *Lifeline Reform Order* by the effective date.

Tariff Revisions Required in Alaska

As cited in the Petition, many states require postpaid ETCs to include a description of the Lifeline and Link Up programs in their state tariffs.⁶ This is the case in Alaska. ACS's tariffs provide detailed descriptions of its Lifeline and Link Up services.⁷ Under state law, therefore, ACS must revise its intrastate tariffs to bring them into compliance with the new rules adopted in the *Lifeline Reform Order*. In Alaska, tariff revisions may become effective only upon 45 days'

⁴ ACS does not object to the qualification that to the extent a postpaid Eligible Telecommunications Carrier ("ETC") is able to comply with the *Lifeline Reform Order* requirements that are the subject of the Petition prior to October 1, 2012, then it should do so.

⁵ See 47 C.F.R. § 54.407(d).

⁶ See Petition at 5.

⁷ ACS of Alaska, Inc. Tariff No. 251, Sheets 4.86, 4.87, and 4.87-1; ACS of Anchorage, Inc. Tariff No. 120, Sheets 4.165, 4.166, and 4.166-1; ACS of Fairbanks, Inc. Tariff No. 117, Sheets 4.94, 4.95, 4.95-1, and ACS of the Northland, Inc. Tariff No. 359, Sheets 4.86, 4.87, and 4.88.

advance filing. In order for any revisions to ACS's tariffs to be effective on April 2, 2012, ACS would have needed to file its tariff revisions by February 17, 2012. Yet, the *Lifeline Reform Order*, with almost 170 pages of significant revisions to the Lifeline program, was not even released until February 6, 2012. ACS has not had enough time to process the rule revisions, much less to prepare and file necessary tariff changes. ACS estimates that the revisions to its state tariffs to address the changes required by the *Lifeline Reform Order* will not become effective until sometime in May 2012 at the earliest.

Significant Changes To Internal Procedures and Billing Systems Required

Regulatory changes as significant as those covered in the *Lifeline Reform Order* often require correspondingly significant changes to the company's internal processes to ensure that the company complies with the new rules. That is exactly the case with these recent changes to the Lifeline program. The first step in implementing regulatory reforms typically is to identify the necessary elements of compliance. Then a carrier must implement changes to its internal processes as appropriate to ensure that it will satisfy all of the new requirements, allowing sufficient time for unexpected delays and for testing of the revised processes for efficacy.

ACS believes it has already identified most of the necessary internal changes it must make to implement the revisions to the Lifeline program. Specifically, with regard to the Lifeline program changes that become effective on April 2, 2012, ACS has determined that it will need to revise its billing systems and internal processes related to billing,⁸ as well as develop additional training to familiarize affected company employees with these immediate Lifeline program changes.⁹

⁸ See Petition at 6-7. See also *Lifeline Reform Order*, ¶58.

⁹ See Petition at 6-7.

Like many carriers, ACS relies upon outside vendors to develop and revise its billing systems. ACS must coordinate with two different billing system vendors – for its wireline and wireless services – to implement the process changes for the new Lifeline program requirements. The amount of time that is necessary for ACS to implement these billing system changes is currently unknown, but ACS is diligently working with its billing system vendors. When working with outside vendors to develop and implement system changes such as the ones required by the Lifeline program reform, carriers are constrained by the vendors’ availability and implementation timelines.

ACS expects that it will need to provide training on these immediate revisions to the Lifeline program to over 100 front-line employees who work with subscribers, as well as their supervisors, and also to employees working in finance, billing, marketing, and product development. ACS anticipates that it will need to conduct eight-hour training sessions for almost 20 percent of its workforce on all the extensive form and process changes needed to implement all the new Lifeline program requirements, some of which must be completed for the requirements that become effective on April 2, 2012. When evaluating all the training that will be required, ACS believes that it will need one month to create new training materials, and approximately three months to conduct training sessions for full implementation of the *Lifeline Reform Order*. It is not an effective use of employee time and company resources to have to develop and conduct employee training on a piece meal basis.¹⁰

¹⁰ The need to develop additional training in order to comply with the new Lifeline program requirements that become effective on April 2, 2012 further compresses the amount of time that ETCs have to conduct other training so that employees will be prepared by June 1, 2012 on how to comply with the requirement that certification procedures be implemented to document program-based criteria for Lifeline qualification. See *Lifeline Reform Order*, ¶100. These particular changes are significant since ACS employees have been handling Lifeline applications and self-certifications on qualification from subscribers over the telephone, but they will be

There are many other requirements in the *Lifeline Reform Order* that are not yet effective, but when these other requirements become effective they will require extensive changes in company procedures and will require additional employee training. Some notable changes and training topics will include changes to forms,¹¹ changes in advertising,¹² changes in certification processes,¹³ and other system changes.¹⁴ ACS expects that it will need several months to implement all of these internal changes in order to comply with the requirements of the *Lifeline Reform Order*. In light of the significant number of changes that ETCs will need to implement in order to comply with *Lifeline Reform Order*, it makes good sense to extend the effective date of the requirements cited in the Petition.

Finally, ACS notes that if the Commission has made any substantive revision to the manner in which carriers calculate the Link Up discount for Tribal land residents, then such a change will further delay ACS's ability to implement that portion of the *Lifeline Reform Order*

required to review supporting program-based documentation in person before qualifying a subscriber for Lifeline benefits. Implementing these certification procedures will demand extensive preparation and employee training time and ETCs should not be required to divert their attention from these efforts.

¹¹ See *Lifeline Reform Order*, ¶¶78-79 (revise forms for "one-per-household" requirement).

¹² See *Lifeline Reform Order*, ¶¶79, 275-277.

¹³ See *Lifeline Reform Order*, ¶¶100-101. Although likely unique to Alaska, ACS must develop Lifeline certification processes for customers who don't have ready access to roads or are not near an ACS store even if they do have road access so that these subscribers can mail their supporting documentation to qualify for Lifeline support and so that ACS employees can review the documents and either return or destroy the documents after review is completed. While it may not be necessary to complete development of this process by April 2, 2012, it is a significant process change that will need to be developed and implemented by June 1, 2012.

¹⁴ For example, the Commission's new rules will require that ETCs verify every 90 days the address of a subscriber located at a temporary address. ETCs, including ACS, will need to develop system changes in order to be able to track Lifeline subscribers who live at temporary addresses. See *Lifeline Reform Order*, ¶89. There are other requirements such as this one that will require company system changes.

by April 2, 2012.¹⁵ ACS urges the Commission to clarify its intent in revising the Tribal land Link Up discount calculation described in FCC Rule Section 54.413, and to provide additional time to implement any intended substantive changes to that discount calculation.

For the reasons stated above, ACS urges the Commission to grant the requested extension of the *Lifeline Reform Order* requirements cited in the Petition until October 1, 2012, and to issue further clarification on the matters requested in the Petition.

Respectfully submitted,

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¹⁵ See Petition at 7-8.